

#### Members

Sen. Connie Lawson, Chairperson  
Sen. Rose Antich  
Rep. William Crawford  
Rep. Mary Kay Budak  
Marsha Hearn-Lindsey  
Carol Johnson  
Nathan Samuel  
Ellen Clippinger  
Cheryl Seelig  
Sven Schumacher  
Kimberly Tracy Armstrong  
Judith Ganser  
John Boyce  
Mara Snyder  
Judy Nevins  
Sharon Pierce  
Natalie Wolfe



## BOARD FOR THE COORDINATION OF CHILD CARE REGULATION

*Legislative Services Agency*  
200 West Washington Street, Suite 301  
Indianapolis, Indiana 46204-2789  
Tel: (317) 233-0696 Fax: (317) 232-2554

#### LSA Staff:

Ann Naughton, Attorney for the Board  
Michael Molnar, Fiscal Analyst for the Board

Authority: IC 12-17.2-3.1

### MEETING MINUTES<sup>1</sup>

**Meeting Date:** September 26, 2002  
**Meeting Time:** 10:30 A.M.  
**Meeting Place:** State House, 200 W. Washington St., Room 404  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 2

**Members Present:** Sen. Connie Lawson, Chairperson; Rep. William Crawford; Rep. Mary Kay Budak; Marsha Hearn-Lindsey; Carol Johnson; Nathan Samuel; Ellen Clippinger; Sven Schumacher; John Boyce; Judy Nevins; Natalie Wolfe.

**Members Absent:** Sen. Rose Antich; Cheryl Seelig; Kimberly Tracy Armstrong; Judith Ganser; Mara Snyder; Sharon Pierce.

Sen. Lawson called the meeting to order at 10:40 a.m. and asked the members to introduce themselves.

#### Continuation of Child Care Funding Discussion

Beth Eiler, Deputy Director, Bureau of Child Development, Family and Social Services Administration (FSSA), discussed the final administrative changes to the Temporary Assistance to Needy Families (TANF) and Child Care and Development Fund voucher (CCDF) programs. She explained that the changes will begin affecting eligibility of child

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

care assistance recipients on October 20, 2002, rather than the previously planned effective date of October 1, 2002. Ms. Eiler provided three handouts (two letters concerning the changes and a chart of the planned tiered copayment plan for CCDF)<sup>2</sup>. She explained that the copayment plan will not be implemented immediately, but will be phased in over the next 12 months.

In response to questions from Sen. Lawson, Mr. Boyce responded that the planned "full family sanction" will apply if parents are noncompliant with requirements for TANF participation. He stated that the adult cash assistance portion will be discontinued for noncompliance, and if noncompliance continues the children's portion of cash assistance will also be discontinued. Mr. Boyce also explained the "income disregard" policy change providing a reduction of the benefit for 25 cents of each dollar earned. Ms. Eiler discussed the recertification process, stating that the waiting list of individuals at less than 127% of the federal poverty level will be cleared with the changes.

Mr. Samuel commented on education of families about the TANF/CCDF changes and informing families of financial alternatives. In response to a question from Ms. Lindsey, Ms. Eiler stated that local entities currently maintain waiting lists, but the new system will provide better information.

In response to questions from Rep. Crawford, referring to August, 2002, waiting list data provided by FSSA<sup>3</sup>, Ms. Eiler stated that she believes the waiting list number for Marion County to be inflated, and that Lake County's waiting list has not been maintained, but that Lake County now has a new intake agent so she expects the waiting list to be maintained in the future. Rep. Crawford expressed his concerns about the data and recommended that FSSA make any necessary changes to obtain more accurate information. He requested that FSSA provide to the Board data for each county reflecting the number of children served, the amount spent, and the number of children eligible over the past three years.

Sen. Lawson clarified that the waiting lists will change with the new eligibility requirements and Ms. Eiler confirmed that funding will be reallocated based on the changes. Mr. Samuel commented that there is no waiting list in his county and that this has resulted in unused funds in his county. Ms. Eiler confirmed that surplus funds are sent back to the central CCDF pool for reallocation the next year. Rep. Crawford requested an assessment of the impact of the eligibility change to 127% of the federal poverty level on the number of providers providing CCDF reimbursed care in a county. He recommended that FSSA have a plan to make policy changes so that child care needs can be quickly accommodated in a county where CCDF child care providers become scarce.

Staff presented a chart<sup>4</sup> reflecting FY 2002 CCDF final allocations in each state. Rep. Crawford requested information concerning where the "earmarked" discretionary funding is spent in Indiana. Ms. Eiler agreed to provide that information to the Board.

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<sup>2</sup>Attachment 1.

<sup>3</sup>Attachment 2.

<sup>4</sup>Attachment 3.

Staff presented a description of the Florida Child Care Executive Partnership<sup>5</sup> providing for matching by the state of CCDF/TANF money with contributions for child care by employers, non-profit agencies, and local governments as a means of encouraging private organizations to participate in child care funding for eligible families. Additionally, staff presented information concerning the current status of state and federal tax benefits for employers that provide for child care for their employees<sup>6</sup>. Sen. Lawson encouraged the members to review the handouts to determine whether the Board should propose legislation in this area.

Jan Keltz, Project Coordinator, Indiana Business Partnership Specialists, provided written information concerning the Indiana Business Partnership<sup>7</sup>. She explained that the specialists work with employers in assigned geographic areas of Indiana to facilitate employer participation in the provision of child care for employees. She stated that the majority of employers currently participating are nursing homes, banks, and manufacturers, but that retail and fast food participation has recently increased. Ms. Keltz stated that employers with more than 300 employees seem to be the most willing to make investments in child care for employees. She noted that 74 Indiana employers are currently participating in the Indiana Business Partnership Specialists program.

In response to questions from Sen. Lawson and Ms. Nevins, Ms. Keltz stated that small and large employers may form consortiums to provide child care for employees, and that there are other partnerships in the state that do not participate in the Indiana Business Partnership Specialists program, but that do provide child care for employees.

### **Continuation of Minimum Standards Discussion**

Ms. Eiler stated that rules are being drafted to implement the CCDF minimum standards enacted by the General Assembly in 2001 and 2002. She stated that interim procedures are currently utilized by the Bureau for implementation until the final rules are adopted. Ms. Eiler explained that letters describing the minimum standards were mailed to already participating CCDF providers in June, 2001, and in June, 2002, and that the new standards have been implemented for new CCDF providers. She noted that assessment for compliance of already participating CCDF providers will begin in October, 2002, and that all of those providers should be assessed by June 30, 2003.

In response to questions from Sen. Lawson, Ms. Johnson, Rep. Crawford, Rep. Budak, and Ms. Lindsey, Ms. Eiler stated that: (a) FSSA will not assess whether volunteers meet minimum standards currently (in contrast to what had been stated in the letters); (b) FSSA plans to submit proposed legislation at the next Board meeting to clarify to whom the minimum standards apply and details of the drug testing requirement; and (c) adoption of final rules will take approximately 9 months.

Ellen Clippinger, testifying as an advocate for licensing or standards, provided a copy of her testimony<sup>8</sup> concerning the application of the minimum standards to after school care

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<sup>5</sup>Attachment 4.

<sup>6</sup>Attachment 5.

<sup>7</sup>Attachment 6.

<sup>8</sup>Attachment 7.

providers. She described duplication of inspection and regulation when the after school care provider is located in a school building. The members briefly discussed how the standards might be amended to assist with this duplication.

Julia Dadds, Director, Head Start, and Vice-Chair, Step Ahead Council, Monroe County, discussed the problems that the minimum standards have caused for families including the threat of fewer providers to provide care, increased costs of meeting the standards, etc. She suggested that a better method of improving the quality of child care would be improved training, payment, and supervision of child care workers in sufficient numbers to provide the care. She suggested that governmental entities that regulate various parts of child care provision should come together to create a different system.

Rep. Crawford requested that Ms. Dadds provide a copy of her testimony to the members. He explained that involvement of interested parties is important to the process and that the presence of child care representatives on the Board is intended to assist in representing the interests of providers and children. He emphasized that previous legislation enacted that specified the minimum standards has been approved by a majority of the members of the Board. He also explained that since the Indiana Constitution prohibits state debt, spending in the current budget crisis must be decreased. Rep. Crawford encouraged people to contact their legislators, in addition to Board members, to inform the legislators of what is desired by the legislators' constituents. Rep. Budak also noted that the minimum standards resulted from discussions during Board meetings.

In response to a question from Sen. Lawson, Ms. Dadds stated that she would prefer to prevent drug use by individuals providing child care through hiring, training, and supervising carefully. She stated that she does not believe the minimum standards solve the problems that exist with child care.

Jeanette DeVore, Director, Foster Grandparent Program, Ft. Wayne, provided a copy of her testimony<sup>9</sup>. She stated that the application of minimum standards to volunteer foster grandparents does not make sense and will result in a decrease in the number of foster grandparents in the program, which will be a loss to both the children and the adults. Sen. Lawson clarified with Ms. Eiler that the minimum standards will not be applied to volunteers at this time, and Ms. Eiler agreed to send a communication out to that effect.

### **Other Business**

Louise Riley, parent, Munster, provided a handout<sup>10</sup> and described her experience with a preschool from which her 3 year old son wandered on several occasions without her knowledge, the final time resulting in his being found on a very busy street. She emphasized the need for regulation of preschools.

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<sup>9</sup>Attachment 8.

<sup>10</sup>Attachment 9.

## **Review of Proposed Child Care Center Rules**

Ms. Eiler provided four handouts<sup>11</sup> concerning the proposed child care center rules. She discussed the number of licensed centers over the past ten years, and the timeline for the proposed child care center rules with a summary of changes. Several members discussed various proposed rules and the disparity in regulation of child care providers.

Pat Cole, Project Coordinator, Healthy Child Care, Indiana, provided a comparison of the current child care center rules with the proposed rules and how the requirements of Stepping Stones are reflected in each set of rules<sup>12</sup>. Members commented that several of the proposed rules now reflect the Stepping Stones document.

Marilyn Solomon, Owner, Early Learning Center, and Representative, Marion County Step Ahead, provided a handout of her testimony<sup>13</sup>. She discussed her concerns with funding changes, the proposed rules, and the minimum standards, and their impact on child care centers.

Randy Garratt, President, Indiana Association for the Education of Young Children, provided a copy of a National Association for the Education of Young Children position statement<sup>14</sup>. He emphasized the need for licensure of all child care providers.

Tim Dunnuck, Coordinator for Child Care Services, Indiana University, Bloomington, provided a copy of his testimony<sup>15</sup> discussing the development of the current child care center rules and the proposed rules and the need for action.

Sen. Lawson informed the members that she has contacted and will inform representatives from the Indiana Chamber of Commerce, Workforce Development, and labor about the meeting as was discussed at the September 5, 2002, meeting of the Board. She stated that the next meeting will be held at 10:00 a.m. on October 10, 2002. The issues for discussion will be:

- (a) Board approval of the proposed child care center rules;
- (b) proposed legislation;
- (c) dissemination by FSSA of proposed minimum standard rules to the Board; and
- (d) possibly kith and kin, and preschool issues.

With no further business to discuss, the meeting was adjourned at 1:45 p.m.

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<sup>11</sup>Attachment 10.

<sup>12</sup>Attachment 11.

<sup>13</sup>Attachment 12.

<sup>14</sup>Attachment 13.

<sup>15</sup>Attachment 14.